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CENTRAL INTELLIGENCE AGENCY  
SOURCES METHOD EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2006

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COUNCIL

NSA-4-2317

WEEK

Chief, ES

26 March 1957

Acting Chief of Base, Pullach

INFO: CUP, BOB

- Operational/SPENDING/CART/RECORDS
- Summary of Information on PAB/SPENDING Cases

REF: 1. BRL-0345  
2. TRAC-7209

orig - CE MASTER LIST

ACTION REQUIRED: See Paragraph 11

1. Since Reference 1 states that there is a "current dearth of reliable knowledge of PAB operations," a brief summary of our information on PAB/SPENDING cases is in order. An exhaustive study is not possible since we cannot have been in a position to get all the details necessary for such a study. Nevertheless, it is believed that an outline of the essential elements of seven cases SPENDING has told us about within the past year may be of help to Headquarters and the German Station in evaluating the operation mentioned in Reference. BOB has not been on the distribution of PAB correspondence on these cases although undersigned has discussed them in general terms with [ ] in Berlin and in Munich.

2. The agents were drawn primarily from amnesty-granted groups and all have a Eastern German background. They were spotted prior to their release from prison on the understanding that through cooperation with the FBI, they could obtain their freedom. In one case the agent, not then in prison, was apparently forced into cooperation with the FBI on the basis of a phony charge of working for the Americans.

3. All of the agents are of above-average intelligence. Some of them held responsible positions in the postwar German government of Schleswig-Holstein. One, a journalist by profession, was a press officer of the government; one was an organizer of the BERLIN movement and one was [REDACTED].

Distribution:

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- 2 - CUP
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Deputy; one is the son of the former Minister of Propaganda and Education; one is a translator by profession.

4. Training: All of the agents received some form of training prior to being dispatched to the Federal Republic. In certain instances they were instructed in the theories and practices of Marxism; hostile intelligence organizations (and in at least one case, the agent was told to avoid the Americans since their organizations were already being well covered by the Czechs); reports writing; and the essentials of communication.

5. Communications: Communication between case officer and agent has been chiefly by means of letters using A/V. The agent is generally given one or more cover addresses in Prague. In one case the agent received instructions in Morse code from the CTO by radio. He in turn wrote his information to one of three Prague cover addresses.

6. Meeting Places: Meetings between case officers and agents have taken place in East Berlin, Vienna, Salzburg, and in one case in Innsbruck. Hotels, restaurants and bars are the usual sites.

7. AKI's: These are listed by case. In certain instances, the targets were assigned before the agent came to the Federal Republic, and after he arrived, some have been cancelled, and some have been added from time to time.

a. Fall ANVALD (MLA-23115, etc.)

- (1) Escape Helmut SCHMIDT (MLA-21807) and aid his escape from jail.
- (2) Report on construction work in progress at the Rhein-main airport.

b. Fall AGATE (MLA-19387, etc.)

- (1) Locate HUPPERT or CAVATA (name of an ~~UNKNOWN~~ supplied).
- (2) Report on specific American military installations (later admitted by the CTO to be a test situation).
- (3) Investigate a specific individual who, as a Czech agent, had failed to cooperate with the Czechs.
- (4) Investigate ~~anti-aircraft~~ activities.
- (5) Observe developments in the Bundeswehr.

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- (6) (NOTE: - report on the agent's debriefing by USAF's Historical Research Division, Wiesbaden, was used as supplemental after clearance was granted.)

a. FALL ACTION (FALL-10799)

- (1) Report on all formalities involved in registration procedures.
- (2) Report on the political and economic situation in the Federal Republic.
- (3) Attempt to get a job with IGH SPINDEL or HER WELT and ascertain the extent of American control over these publications.
- (4) Determine the location of American agencies and military units in the Federal Republic, specifically in the Wiesbaden area.

c. FALL ALABAMA (FALL-4032, etc.)

- (1) Recruit the agent's sister who was working in a Cologne factory having defense contracts.
- (2) Investigate Landsmannschaft activities.
- (3) Report on German political attitudes towards the GDR.

d. FALL ALLENBACH (FALL-6197, etc.)

- (1) Penetrate UPWINE (names of three UPWINEs supplied, one incorrectly).
- (2) Contact Vladimir POKHLY, said by the GDR to be either an UPWINE (he was not) or to have UPWINE connections.
- (3) Investigate Landsmannschaft activities.
- (4) Contact and report on General PRCHAL.
- (5) Investigate two other named individuals believed by the GDR to be UPWINEs (not the ones).
- (6) Contact interrogators of the LIT/Anstaltens-Baden and try to get recruited as a spy.
- (7) Contact an individual in Munich described as belonging to the GDR.

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2. Fall AGENT (111-1254, etc.)

- (1) Recontact AGENT (the agent has many acquaintances and contacts who are or were WIKERS).
- (2) Investigate Landwirtschaft activities.

3. Fall ARTIST (111-4403, etc.)

- (1) Investigate Landwirtschaft activities.
- (2) Spot candidates for StB recruitment.
- (3) Report on attitude of AGENT towards the Bonn government.
- (4) Investigate a specifically-named individual (purpose not known).
- (5) Report on Landwirtschaft developments.

4. We agreed with AGENT that most of these cases offered a good opportunity of getting wider-angle vision on the StB. Unfortunately, as a result of circumstances over which little or no control could be exercised, most of the cases are now either dead, being dropped, or are on ice. The status of each one is set forth in paragraph 10 below.

5. Even so, the following has been learned about the StB, so that organization has been reflected in the cases under examination: The StB has a source of high-grade agents and actively exploits that source; singleton-type agents are the rule; AGENT is a primary target; good pay is standard practice (the agents usually receive DM 300-500 a month; and in one case the agent got DM 2,500); test missions are often assigned; a fair amount of effort is apparently spent on ideological cultivation of the agents; consistent treatment of the agent is standard.

10. Status of Cases:

- a. Fall AGENT: Sporadic contact maintained between agent and case officer (few details known).
- b. Fall AGENT: On ice until agent recovers from tuberculosis.
- c. Fall ARTIST: Contact continues but agent has not obtained a job yet; no new DAI's assigned.
- d. Fall ALABAMA: Case is dead as a result of the agent's refusal to continue DAI role.

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a. Full ALLIANCE: Probably dead, but possibly of interest to WAB (the agent has attempted to blackmail a member of the Brotherhood). As a result of the agent's confidential sources, the case is now being handled by GEPAL, KILBURN, and LTV/Amsterdam-Boston.

b. Full ALLIANCE: On ice but probably will be turned over to LTV/Boston as a result of the agent's forthcoming job as state attorney general in the American Ministry of Labor.

c. Full ALLIANCE: On ice until agent uncovers some long illness.

11. Like BOB, this case is interested in obtaining as detailed a picture as possible of the subject's activities. We feel we could get considerably more information from WFOVING, and thus make a larger contribution to a full-back study of the FBI, if we had something of a substantive source to give WFOVING. There is no need to halter the current. However, it is clear that WFOVING, through its own efforts and because it is a major target of the FBI, is and will continue to be in a position to expand WFOVING's knowledge of the subject. Therefore, the Bureau's assistance, and particularly Headquarters' assistance is requested in providing us with background data as it becomes available on the FBI.

Approved by:

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